

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Fillmore Field Office 95 E 500 N Fillmore, UT 84631 http://www.blm.gov/ut/st/en/fo/fillmore.html



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IN REPLY REFER TO: 3809 (UTW02000) UTU-89546

DIV. OF OIL, GAS & MINING

April 15, 2013

CERTIFIED MAIL # 7011 3500 0000 1992 4374 RETURN RECEIPT REQUESTED

Zadok Ventures LLC Attn: Eric Lewis Po Box 681271 Houston TX 77268

Dear Mr. Lewis:

Your Plan of Operations (Plan) to conduct mining activities in the South ½ of the South ½ of section 35, Township 12 South, Range 7 West, Salt Lake Baseline and Meridian, Juab County, Utah was received in this office March 12, 2013. The Plan has been assigned Bureau of Land Management (BLM) case file number UTU-89546. Please refer to this number in future correspondence concerning this operation.

Consistent with the surface management regulations at 43 CFR 3809.411(a), the BLM has reviewed the Plan to determine if it meets the content requirements at 43 CFR 3809.401(a) & (b). Based on our review, the following information is required in order for the Plan of Operations to be complete.

- 1. 43 CFR 3809.401(a) requires "Your Plan of Operations must demonstrate that the proposed operations would not result in unnecessary or undue degradation of public lands." Prevention of unnecessary and undue degradation of public lands generally requires a logical progression of operations that includes discovery, exploration, development and finally mining. There have been no Notices or Plans approved by BLM that would have led to information regarding the grade and/or extent of a mineral deposit at the site of your proposed Plan. Please provide information as to the extent grade and mineralogy of the deposit you intend to mine. Please identify any information of this type you would like to keep confidential on each page provided.
- 2. Page 5, Section 2, Description of Operations of your Plan indicates processing to consist of gravity separation. The sole use of gravity separation is generally limited to placer

gold operations. Gravity separation is sometimes used for removal of free gold in some mineralized vein deposits where other chemical separation is also employed. The mining methods described in your plan are indicative of a disseminated deposit. Disseminated deposits are nearly exclusively processed with leachates. Please provide a complete description of the processing of the deposit to final commodity recovery.

- 3. Page 5, Section 2, Description of Operations. Please describe the proposed mining and processing operations including access and access improvements, removal of vegetation, and overburden, extracting process, blasting procedures, mine waste types, mine waste amounts, mine waste disposal, imported wastes types, imported waste amounts, imported waste disposal, processing methods (grinding, dry screening, floatation, amalgamation, wet screening, washing, smelting, leaching, batch plants), production water average and maximum use, production water sources, anticipated or possible contaminants, all equipment to be used, erosion and sedimentation control, truck traffic, and project life. Include flow charts.
- 4. Page 5, Section 2, Description of Operations. Please include a figure with pre and post mine topographic details at an appropriate contour interval, 5 or 10 feet.
- 5. Page 5, Section 2, Description of Operations. Please include phasing dates and volumes to be mined for each of the mining phases.
- 6. Page 5, Section 2, Description of Operations. Please show the progression of stripping and excavation through cross sections; include extent of overburden, mineral deposits, and detail of mine working face.
- 7. Page 5, Section 2, Description of Operations. Please include the anticipated mining of mineral commodity and waste material by volume and weight per year, per phase and during life of permit including dates.
- 8. Page 5, Section 2, Description of Operations. Provide the anticipated production of commodity: volume and weight per year and total commodity to be produced during life of permit, including waste materials.
- 9. Page 5, Section 2, Description of Operations. Describe the geology of the mineral deposit and surrounding area, considering the rock formations, overburden materials, principal ore and gangue materials, describe geometry of the earth materials, including estimates of thickness, extent, volume and tonnage of materials to be mined.
- 10. Page 5, Section 2, Description of Operations. Describe surface water characteristics of site (drainage patterns, size of area that drains into site, proposed alteration of drainages). Describe methods to insure positive drainage of the site, methods to protect site and surrounding areas from flooding. If the site is in a groundwater recharge area describe the potential to increase siltation of recharge area. Describe methods to minimize effects of any toxic substances or contaminants introduced by the operation.
- 11. Page 5, Section 2, Description of Operations. Describe groundwater subsurface geology, permeability, fault barriers, quantity, quality and direction of flow. If groundwater is used for the project water systems, describe any adverse effects that may occur to quantity or quality; include methods to minimize these effects.
- 12. Page 5, Section 2, Description of Operations. Describe the various soils on the site, including their physical and chemical characteristics, average thickness, erodability, and land use capability.
- 13. Page 5, Section 2, Description of Operations. Describe the types of vegetation that grow on and around the site. List federal and /or state designated rare, threatened or endangered species on or near the site; discuss proposed mitigation.

14. Page 5, Section 2, Description of Operations. List species of wildlife occurring on or around the site. List federal and/or state designated rare, threatened or endangered species on or near the site; discuss proposed mitigation.

15. Page 5, Section 2, Description of Operations. Describe measures to be taken to ensure

public safety (fences, gates, signs, hazard removal).

16. Page 5, Section 3, Water Management Plan. Please indicate the location and details of facilities to control on and off site storm runoff, erosion, and sedimentation (including water courses, culverts, drains, settling ponds, retarding basins, ditches, and berms).

17. Page 6, Section 8, Reclamation Plan. Describe how post-reclamation drainage will differ

from the original site drainage on runoff, erosion, and sedimentation.

- 18. Page 6, Section 8, Reclamation Plan. Discuss how cut and fill slopes, waste piles, and tailings will be stabilized to prevent landslides, earth flows, rock falls, and erosion (revegetation, benching, scaling, slope reduction). Provide verification by a soils engineer or geologist that all slopes will be stable.
- 19. Page 6, Section 8, Reclamation Plan. Describe how ponds, tailings and/or mine wastes will be reclaimed (re-graded, dewatered, top-soiled, re-vegetated). If any dams or embankments are to remain after reclamation, describe type of dam, construction material, permeability, foundation characteristics, storage volume and design criteria; prepare a cross-section through dams or embankments.

20. Page 6, Section 8, Reclamation Plan. Describe the method of removal, storage, and replacement of topsoil or fines after replacement; also describe testing to determine if the

soil or fines need to be amended to encourage plant growth.

21. Page 6, Section 8, Reclamation Plan. Describe any baseline monitoring that has been done to document the present environment. Describe a monitoring and maintenance program to ensure that re-vegetation is successful, and that public safety measures, water quality, and erosion control measures are maintained; indicate who will be responsible to carry out the monitoring and maintenance.

22. Page 6, Section 8, Reclamation Plan. Calculate the reclamation cost and describe assurance mechanisms to guarantee reclamation of the site (bond, letter of credit, cash).

Please provide a response to the above information requests at your earliest convenience. You may provide replacement pages or a narrative response. Upon receipt of the required information, the BLM will determine whether or not the Plan is complete.

Once the Plan is determined complete, the BLM will solicit public comment on the Plan under 43 CFR 3809.411(c), either separate from or as a part of the environmental review process required by the National Environmental Policy Act. Soliciting public comment must occur before making a decision on the Plan according to 43 CFR 3809.411(d).

In order to prepare the environmental review document and process your Plan, the BLM requires that the intended disturbance area be inventoried for cultural resources. As required by 43 CFR 3809.401(c), the operator is responsible for providing this survey information. Please provide the required cultural resource inventory as soon as it is finished. If you require further information on inventory methods and qualifications, please contact the Fillmore Field Office Archeologist at (435) 743-3165.

The BLM requests that you submit a reclamation cost estimate that covers the equipment type, and rate needed to perform reclamation tasks such as mobilization, grading, topsoil placement,

seeding, and structural removal for each component of the mining project. The cost estimate must estimate the costs assuming the BLM were to hire a third party contractor and must include costs for contract administration and overhead costs. The cost estimate must also include appropriate costs for contractor profit and insurance.

If you have any questions on these information requests, please contact Jerry Mansfield, Fillmore Field Office Geologist at (435) 743-3125.

Sincerely,

Actingtor Michael D. Gates Field Manager

cc: Paul Baker
UDOGM
P.O. Box 145801
Salt Lake City, Utah 84114-5801

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